

Reimbursement Accounts: 2023-2024

NBS July 1, 2023 through June 30, 2024

Reimbursement accounts enable you to pay certain qualified expenses using tax-free dollars. Depending on your personal tax rate, this can save you 10-30% or more on medical, dental, vision, and/or dependent care out of pocket costs.

The following accounts may be available to you:

Flexible Spending Account (FSA)

This account allows you to set aside up to \$3,050 in pretax dollars to pay most out of pocket medical, dental, or vision care expenses, including: medical and dental deductibles and co-payments, eye glasses, dental, and orthodontic work not covered by insurance.

Dependent Care Assistance Plan (DCAP)

This account lets you set aside up to \$5,000 in pre-tax dollars to pay for eligible dependent care expenses so you (and, if married, your spouse) can work.

The Advantages

There are some significant advantages to using the above reimbursement type accounts. Income directed to a reimbursement account is tax free. When you pay less in taxes, you receive more spendable income. These accounts can save you 10-30% or more, depending on your personal tax rate. Convenient payroll deductions help assure that you will have money available for out of pocket health and/or dependent care expenses.

How It Works

During annual enrollment, you decide how much you want to deposit into your reimbursement account(s). That amount is deducted evenly during the calendar year from your paycheck before taxes are taken out. When you have an expense that qualifies, you pay the bill, submit a claim, and you are reimbursed with tax-free dollars from your account.

Eligibility

You will be eligible to participate in the account(s) on the first day of the month following your date of hire. The following are additional guidelines for determining eligible expenses

- Expenses are for services received during the calendar year (Jul. 1 to Jun. 31).
- Expenses are not covered by any health care plan in which you are enrolled.
- The IRS would otherwise let you deduct the expenses from your income taxes.

The Dependent Care Assistance Plan

With the Dependent Care account you can set aside tax-free income to pay for qualified dependent care expenses, such as day care, that you normally pay with after-tax dollars. You must meet the following criteria in order to set up this account:

- You and your spouse both work;
- You are a single head of household; or
- Your spouse is disabled or a full-time student

Qualified dependents include children under 13 and/or dependents who are physically or mentally handicapped and the expense must be incurred to allow you to work. If your spouse is unemployed or doing volunteer work you cannot set up a reimbursement account. Each calendar year the IRS allows you to contribute the following amounts, depending on your family status:

- If you are single, the lesser of your earned income or \$5,000
- If you are married, you can contribute the lowest of:
 - Your (or your spouse's) earned income
 - \$5,000 if filing jointly, or \$2,850 if filing separately

Does my employer contribute to my Dependent Care Account?

Yes! Beginning May 1, 2023, if you choose to elect a Dependent Care Account, Southern Utah University will contribute \$75 on a semi-monthly (per pay period) basis. Note: These amounts apply towards your Annual Maximum Contribution. You can choose to contribute additional amounts to the account or just use the dollars SUU is contributing. You can also choose to forfeit the SUU contribution if you choose.

Use it or Lose it

If you don't use all of the pre-taxed dollars you deposited into your FSA and/or DCAP, you will forfeit any balance in the account(s) at the end of the plan year. You have 90 days following the end of the plan year to submit claims incurred during the plan year. You have 75 days after the plan year ends to incur expenses covered by your FSA.

Once Enrolled, You May Not Change

Once you have designated how much you want to contribute on an annual basis to one or both of your reimbursement accounts, you cannot stop or change your contributions unless you have a Qualifying Change Event as defined and limited by the IRS. See Qualifying Change rules earlier in this guide.

Reimbursements

To claim reimbursements, fill out a claim form and attach any supporting information. For healthcare, this will include receipts showing the amount you paid and the date(s) on which you or a dependent received services. For dependent care, this may include any contracts, letters, or receipts. You may send this information to NBS via email, fax, or standard mail.

Email: claims@NBSbenefits.com

Fax: 801-355-0928

Mailing Address: National Benefit Services, LLC P.O. Box 6980,
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